EXHIBIT D

COALVIEW LTD.

COALVIEW CENTRALIA, LLC

ANNUAL REPORT

2014

COALVIEW CENTRALIA, LLC

PROJECT OFFICE: 1044 Big Hanaford Road, Centralia, WA, 98531
ADMINISTRATIVE OFFICE: 75 Valencia Ave., Suite 600, Coral Gables, FL 33134

COALVIEW LTD.

COALVIEW CENTRALIA, LLC ANNUAL REPORT - TABLE OF CONTENTS

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
BALANCE SHEET - AUDITED
DECEMBER 31, 2014

ASSETS	
CURRENT ASSETS	
Cash	$ 405,768
Restricted cash	6,083,579
Accounts receivable, net	404,123
TOTAL CURRENT ASSETS	6,893,470
PROPERTY, PLANT AND EQUIPMENT, net	20,214,218
DEBT ISSUANCE COSTS, net	3,787,230
TOTAL ASSETS	$ 30,894,918
LIABILITIES AND MEMBERS' CAPITAL	
CURRENT LIABILITIES	
Accounts payable	$ 952,813
Accrued expenses	1,221,431
Due to related party	13,642
Current portion of bonds payable	1,240,000
Current portion of note payable	229,329
TOTAL CURRENT LIABILITIES	3,657,215
ASSET RETIREMENT OBLIGATION	137,380
BONDS PAYABLE, less current portion	25,260,000
NOTE PAYABLE, less current portion	553,671
TOTAL LIABILITIES	29,608,266
COMMITMENTS AND CONTINGENCIES	
Members' capital	1,286,652
TOTAL LIABILITIES AND MEMBERS' CAPITAL	$ 30,894,918

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
STATEMENT OF OPERATIONS - AUDITED
FOR THE YEAR ENDED DECEMBER 31, 2014

REVENUES	$ 404,123
SELLING, GENERAL AND ADMINISTRATIVE	1,951,148
LOSS FROM CONTINUING OPERATIONS	(1,547,025)
OTHER INCOME (EXPENSES)	
Interest expense	(208,232)
Other income	46,909
TOTAL OTHER EXPENSES	(161,323)
NET LOSS	$ (1,708,348)

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
STATEMENT OF MEMBERS' CAPITAL - AUDITED
FOR THE YEAR ENDED DECEMBER 31, 2014

MEMBERS' CAPITAL

Balance, January 1, 2014	$ 2,995,000
Net loss	(1,708,348)
Balance December 31, 2014	$ 1,286,652

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
STATEMENT OF CASH FLOWS - AUDITED
FOR THE YEAR ENDED DECEMBER 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net loss	$ (1,708,348)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation, amortization and accretion	387,833
Changes in operating assets and liabilities:	
Restricted cash	(199,164)
Accounts receivable	(404,123)
Accounts payable	952,813
Accrued expenses	958,318
TOTAL ADJUSTMENTS	1,695,677
NET CASH USED IN OPERATING ACTIVITIES	(12,671)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of property, plant and equipment	(20,239,475)
Restricted cash	19,030,920
NET CASH USED IN INVESTING ACTIVITIES	(1,208,555)
CASH FLOWS FROM FINANCING ACTIVITES:	
Restricted cash	1,475,110
Net repayments from related party	72,642
Increase in debt issuance costs	(7,014)
NET CASH PROVIDED BY FINANCING ACTIVITIES	1,540,738
NET INCREASE IN CASH AND CASH EQUIVALENTS	319,512
CASH AT BEGINNING OF YEAR	86,256
CASH AT END OF YEAR	$ 405,768
SUPPLEMENTAL CASH FLOW DISCLOSURES:	
Interest paid	$ 1,473,180

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
NOTES FOR FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 1 - ORGANIZATION

Coalview Centralia, LLC, a Delaware limited liability company, was formed in 2012 to construct and operate a 200 TPH fine coal recovery ("FCR") plant at the Centralia Mine located in Centralia, Washington. The plant was commissioned in December 2014 and the operation consists of three impoundment structures containing over eighteen million tons of slurry refuse.

The Company is a subsidiary of Coalview LTD, LLC, a Delaware limited liability company, America's leading fully integrated coal technology and fine coal recovery company.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) BASIS OF PRESENTATION AND USE OF ESTIMATES

The Company's accounts are maintained on the accrual basis of accounting and are presented in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Additionally, the Company's coal reserve estimates are its best estimate of product that can be economically and legally extracted from the relevant mining property. Significant judgment is required to generate an estimate based on geological data available. The coal reserve estimates may change from period to period. Actual results could differ from those estimates.

B) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost. Interest costs incurred during the construction period for major asset additions are capitalized. Depreciation and amortization is provided over the estimated useful economic lives of the assets and is computed on the straight-line method. Significant renovations and improvements, which improve and/or extend the useful life of the asset, are capitalized at cost and depreciated over their estimated useful life (NOTE 6).

C) DEBT ISSUANCE COSTS

Costs incurred in connection with financing are capitalized as debt issuance costs and are amortized over the term of the related loan (NOTE 7).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D) IMPAIRMENT OF LONG-LIVED ASSETS

If facts and circumstances suggest that the carrying value of a long-lived asset or asset group may not be recoverable, the asset or asset group is reviewed for potential impairment. If this review indicates that the carrying amount of the asset will not be recoverable through projected undiscounted cash flows generated by the asset and its related asset group over its remaining life, then an impairment loss is recognized by reducing the carrying value of the asset to its fair value. No impairment was determined and, accordingly, no adjustment was recorded for 2014.

E) CASH AND CASH EQUIVALENTS

The Company considers all short-term, highly liquid investments that are readily convertible to cash with an original maturity of three months or less to be cash equivalents.

F) RESTRICTED CASH

The Company had restricted cash related primarily to stipulations established in the loan agreement (NOTE 3). At December 31, 2014, restricted cash balances totaled approximately $6,084,000.

G) ACCOUNTS RECEIVABLE

In the normal course of business, the Company provides credit to its customers, performs credit evaluations of these customers, and maintains reserves for potential credit losses, which, when realized, have been within the range of management's allowance for doubtful accounts. Management writes off receivables as a charge to the allowance for credit losses when, in their estimation, it is probable that the receivable is uncollectible. At December 31, 2014, no allowance for doubtful accounts was deemed necessary.

H) CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and accounts receivable. The Company maintains its cash in bank deposit accounts, which, at times, may exceed the federally insured limits. As of December 31, 2014 the Company's deposit account balance exceeded Federal Deposit Insurance Corporation coverage limits by approximately $5,834,000. No losses have been experienced related to such accounts.

I) REVENUE RECOGNITION

The Company has agreements that expire in December 2025 with one customer to exclusively process coal slurry waste materials ("WCS") and tender refined coal. Title to all WCS and refined coal remain with the customer at all times.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I) REVENUE RECOGNITION (CONTINUED)

The Company recognizes revenue on a semi-monthly basis based on tons of WCS that are dredged or tons of refined coal that are processed within the slurry. The Company earns a base price in accordance with a Tendering and Processing Agreement with its customer for production of WCS and refined coal.

The coal base price is also subject to periodic adjustments based upon the calorific value or other qualities of the refined coal. The standard calorific value is established at 8,400 British Thermal Units (BTU) per pound. If the actual BTU varies from standard BTU, an adjustment is made based on the ratio of actual BTU to standard BTU. Increases in BTU result in positive adjustments and vice versa.

Cumulative differences in processed WCS and refined coal tendered are monitored continually. An additional reserve of funds will be established if WCS production exceeds established thresholds. At December 31, 2014, no reserve was deemed necessary.

J) MAJOR CONCENTRATIONS

The Company is committed under a long-term contract with one customer to process all WCS and tender all refined coal. During the year ended December 31, 2014, this customer accounted for 100% of operating revenues and accounts receivable.

The Company entered into a contract with a vendor to construct the fine coal recovery plant. At December 31, 2014, this vendor accounted for approximately 79% of accounts payable.

K) INCOME TAXES

The Company is organized as a limited liability company and therefore is treated as a partnership for federal and state income tax purposes. The results of operations of the Company are included in the income tax returns of the members and, consequently, no provisions for income taxes have been made in the accompanying financial statements.

The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. No such interest or penalties were recognized during the period presented. The Company had no accrual for interest and penalties at December 31, 2014.

Management identifies and evaluates potential uncertain tax positions to determine whether the probability exists that a tax position taken in a tax return would be sustained upon examination by a taxing authority. The federal tax returns for the Company are generally subject to examination by respective taxing authorities for three years after the returns are filed. The income tax returns for 2013 and 2014 (when filed) remain open to possible examination.

COALVIEW LTD.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L) ADVERTISING COSTS

Advertising costs are expensed as incurred and approximated $68,000 for the year ended December 31, 2014.

M) ASSET RETIREMENT OBLIGATION

Asset retirement obligations are recognized for legal obligations associated with the retirement of property, plant and equipment. When recording an asset retirement obligation, the present value of the projected liability is recognized in the period in which it is incurred, if a reasonable estimate of fair value can be made. The liability is accreted over time. The present value of the liability is added to the cost of the associated asset and depreciated over the remaining life of the asset. The present value of the initial obligation and subsequent updates are based on discounted cash flows, which include estimates regarding timing of future cash flows and selection of discount rates, among other factors. This calculation represents management's best estimate of the costs that will be incurred but significant judgment is required as many of these costs will not crystallize until the end of the life of the project. The Company reviews its asset retirement obligations at least annually. Adjustments to the liability result in an adjustment to the corresponding asset (NOTE 9).

N) FAIR VALUE MEASUREMENTS

Accounting guidance for fair value measurements defines fair value, establishes a framework for measuring fair value in accounting principles generally accepted in the United States and expands disclosures about fair value measurements. The statement does not require new fair value measurements, but is applied to the extent other accounting pronouncements require or permit fair value measurements.

The Company has a number of financial instruments, including cash, bonds and a note payable. The Company estimates that the fair value of all financial instruments at December 31, 2014 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheets.

O) RECENT ACCOUNTING PRONOUNCEMENTS

The Company evaluates new accounting pronouncements for relevance and impact on its financial statements. Management does not expect that the adoption of these new pronouncements will have a material impact on the Company's financial position, results of operations or cash flows.

P) MANAGEMENT'S REVIEW OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 15, 2015, the date on which the financial statements were available to be issued. There were no subsequent events through May 15, 2015, that required adjustment of or disclosure in the financial statements.

NOTE 3 - BONDS PAYABLE

During 2013, the Company entered into a loan agreement with an agency of the State of Washington for the issuance of a revenue bond pursuant to an indenture entered into by the agency and a financial institution. The purpose of the bond was to build a waste processing and fine coal recovery plant which will process the coal slurry waste from the impoundments and extract refined coal. The aggregate principal amount of the bond is $26,500,000. The principal amount was separated into three tranches as follows:

Principal Amounts	Maturity	Interest Rate
$3,500,000	August 1, 2018	9.35%
$9,000,000	August 1, 2025	8.25%
$14,000,000	August 1, 2025	9.50%

The Company, commencing in 2014, is required to pay on the 15th of each month:

(i) prior to and including January 15, 2015 and, thereafter, for the period from February through July of each year, an amount which, if paid in six (6) equal monthly installments, shall be sufficient to pay the principal and interest coming due on the bonds on the next ensuing schedule date for the payment of such principal and/or interest, as applicable; or

(ii) after January 15, 2015, for the period of August through November of each year, an amount which if paid in four (4) equal monthly installments, shall be sufficient to pay the principal and interest coming due on the Bonds on the next ensuing scheduled date for payment of such principal and or interest, as applicable.

The amount considered as coming due includes interest only payments and an amount scheduled for mandatory redemption or a maturity of a tranche. The mandatory redemption for each tranche begins on August 1, 2015 and the redemption amount is dependent upon the tranche, as defined. The Company has the right to redeem a tranche prior to maturity based on a redemption price, as defined.

The loan agreement and indenture requires certain restrictions including a distribution restriction and establishment of certain reserve cash accounts, as defined. In addition, the Company is not able to obtain additional indebtedness except for the subordinated note payable obtained simultaneously with the bonds (NOTE 4). Furthermore, the Company is required to maintain certain financial covenants commencing with the fiscal year ending December 31, 2015. The bond is secured by all corporate assets and assignment of certain contracts, as defined.

NOTE 3 - BONDS PAYABLE (CONTINUED)

The following is a schedule of mandatory redemptions for the years ended:

2015	$ 1,240,000
2016	2,170,000
2017	1,890,000
2018	1,610,000
2019	1,695,000
Thereafter	17,895,000
Total	$ 26,500,000

Interest costs totaled approximately $2,473,000 for the year ended December 31, 2014, of which approximately $2,273,000 was capitalized to property, plant and equipment.

NOTE 4 - NOTE PAYABLE

During 2013, the Company entered into an unsecured note payable in the amount of $783,000. The note is fully subordinated to the bond payable (NOTE 3) with the agency of the State of Washington. The note bears interest at a fixed rate of 15% and requires an interest only payment on February 2015 and monthly principal and interest payments of $31,460 commencing on March 2015 until maturity in August 2017.

The following is a schedule of future minimum payments for the years ending December 31,

2015	$ 229,000
2016	316,000
2017	238,000
Total	$ 783,000

Interest costs totaled approximately $127,000 for the year ended December 31, 2014, of which approximately $117,000 was capitalized to property, plant and equipment.

COALVIEW LTD.

NOTE 5 - RELATED PARTY TRANSACTIONS

During December 2013, the Company entered into an operating and management agreement and an exclusive dredging and services agreement with Coalview Recovery Group, LLC ("CRG"), a related company through common ownership. As required by the agreement, the Company pays an annual base management fee equal to $250,000, increased annually by the proportional increase and associated weighting of certain BLS Indices. As required by the operating and management agreement, the Company pays CRG's actual costs for dredge operations plus 7%. During October 2014, the base management fee and the CRG's dredging related costs plus 7% was set at an annual rate of $600,000 per year on bi-monthly payments. Management fees incurred during the construction period are capitalized. Management fees for the year ended December 31, 2014 totaled approximately $412,000. Approximately $362,000 of these fees were capitalized and are included in property, plant and equipment on the accompanying balance sheet. The operating and management agreement expires December 2025.

The Company also advances monies to or receives monies from related parties from time to time. The amount due to related parties at December 31, 2014 totaled approximately $14,000.

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of the following:

	Useful Lives in Years	
Plant and equipment, including asset retirement obligation	10	$ 16,997,763
Development costs	10	3,510,632
Automobiles	5	54,009
		20,562,404
Less: accumulated depreciation and amortization		348,186
		$ 20,214,218

Depreciation and amortization expense related to property, plant and equipment totaled approximately $348,000 for the year ended December 31, 2014. Property, plant and equipment includes the portion of interest costs incurred on debt capitalized as part of the costs of constructing certain qualifying assets. For the year ended December 31, 2014, capitalized interest totaled approximately $2,390,000.

COALVIEW LTD.

NOTE 7 - DEBT ISSUANCE COSTS

Debt issuance costs consists of the following:

	Useful Lives in Years	
Financing fees	10	$ 3,598,409
Other costs	10	225,904
		3,824,313
Less: accumulated amortization		37,083
		$ 3,787,230

Amortization expense related to debt issuance costs totaled approximately $37,000 for the year ended December 31, 2014.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

LITIGATION

The Company has not been involved in legal actions arising in normal business activities. At December 31, 2014, management is not aware of any pending litigation against the Company.

ENVIRONMENTAL AND OTHER REGULATORY MATTERS

Federal, state and local authorities regulate the U.S. coal industry with respect to certain matters such as employee health and safety and the environment, including the protection of air quality, water quality, land uses and other environmental resources. Materials used and generated must also be managed according to applicable regulations and law. These laws have, and will continue to have, a significant effect on our production costs and our competitive position. We endeavor to conduct our operations in compliance with applicable federal, state and local laws and regulations.

Future laws, regulations or orders, as well as future interpretations and more rigorous enforcement of existing laws, regulations or orders, may require substantial increases in equipment and operating costs and may result in delays, interruptions or termination of operations, the extent to which we cannot predict. Future laws, regulations or orders may also cause coal to become a less attractive fuel source. As a result, this may adversely affect our operations.

COALVIEW LTD.

NOTE 9 - ASSET RETIREMENT OBLIGATION

The Company completed construction of a fine coal recovery plant in November 2014, which was placed into commission in December 2014, and has an estimated life of 10 years. The Company is contractually obligated to decommission the plant at the completion of the project. In accordance with FASB ASC 410-20, Asset Retirement Obligations, the Company recognizes asset retirement obligations at fair value. Accretion expense is recognized through the expected settlement date of the obligation. During 2014, the Company recognized the fair value of an asset retirement obligation of $134,816. The Company capitalized that cost as part of the carrying amount of the plant; which is depreciated on a straight-line basis over ten years. The following table describes the changes to the Company's asset retirement obligation liability:

Balance at January 1, 2014	$ -
Liabilities incurred	134,816
Accretion expense	2,564
Balance at December 31, 2014	$ 137,380

NOTE 10 - POSTRETIREMENT BENEFIT PLANS

The Company has adopted a 401(k) Profit Sharing Plan that allows for employee salary reduction contributions, employer discretionary matching contributions and employer discretionary profit sharing contributions – not to exceed amounts allowed under the Internal Revenue Code.

The employees vest in the 401(k) employer matching and profit sharing contribution at 20% per year after the first full year of employment. Employees become fully vested after six years of service. The employees are always 100% vested in their salary reduction contribution.

The Company elected to match 100% of the employee salary reduction contribution up to 4% of the employee's salary for 2014. This amounted to approximately $13,000 in matching contributions during the year ended December 31, 2014. The Company did not contribute any funds to the discretionary profit sharing during 2014.

NOTE 11 - SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

The Company increased property, plant and equipment during 2014 by capitalizing asset retirement costs of approximately $135,000.

COALVIEW CENTRALIA, LLC
AUDITOR OPINION LETTER
FOR THE YEAR ENDED DECEMBER 31, 2014

Perez-Abreu+Aguerrebere+Sueiro+Torres, P.L.

CERTIFIED PUBLIC ACCOUNTANTS and CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of:
Coalview Centralia, LLC

We have audited the accompanying financial statements of Coalview Centralia, LLC (a Delaware limited liability company), which comprise the balance sheet as of December 31, 2014, and the related statements of operations, members' capital, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Coalview Centralia, LLC as of December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Certified Public Accountants
Coral Gables, Florida
May 15, 2015

COALVIEW LTD.

Certificate for Annual Filing of Certain Financial and Operating Covenants

Issuer:	Washington Economic Development Finance Authority
Issue:	Washington Economic Development Finance Authority Environmental Facilities Revenue Bonds, 2013 (Coalview Centralia, LLC Project)
Company:	Coalview Centralia, LLC
Dissemination Agent:	U.S. Bank National Association
Underwriter:	Oppenheimer & Co. Inc.
Date of Issue:	December 20, 2013

The undersigned authorized representative of the Company is providing the Dissemination Agent the following operational information as required under Section 4 of the Continuing Disclosure Agreement, dated as of December 1, 2013 (the "Disclosure Agreement"), between the Dissemination Agent and the Company. The Dissemination Agreement requires that the Company provide this information to the Dissemination Agent within one hundred and fifty (150) days of the end of each Fiscal Year. Defined terms used in this certificate and not defined herein shall have the meaning granted to such terms in the Loan Agreement, dated as of December 1, 2013 (the "Loan Agreement"), between the Company and the Washington Economic Development Finance Authority. The information contained below is unaudited.

1. The undersigned below is familiar with the provisions of the Loan Agreement and based on such review and familiarity, the Company has fulfilled all of its obligations thereunder throughout the Fiscal Year preceding the date hereof, and there have been no Defaults of Events of Default under the Loan Agreement.

2. All insurance required by the Loan Agreement is in full force and effect as of the date hereof.

3. As of December 31, 2014 the Company's Debt Service Coverage Ratio was -0.77x, which does not have to comply with the coverage covenant in Section 5.10 of the Loan Agreement. Compliance with Section 5.10 of the Loan Agreement commences with the Fiscal Year ending on December 31, 2015.

4. As of December 31, 2014 the Company's unrestricted available funds on hand was $405,768 representing 60.8 days multiplied by Average Daily Fixed Expenses of $6,676.

This certificate is being provided by the Company to the Dissemination Agent on a date which is within/outside of one hundred and fifty (150) days from the end of the Company's prior fiscal year.

Dated: 5/15/2015

COALVIEW CENTRALIA, LLC

By: RWFish

Name: Roger Fish

Title: President & CEO

COALVIEW LTD.

Certification of No Loan Agreement Event of Default

As Authorized Company Representative of Coalview Centralia, LLC, I hereby certify that there has not been any Event of Default pursuant to the Loan Agreement between Washington Economic Development Finance Authority and Coalview Centralia, LLC dated as of December 1, 2013. This certification is required under Sections 8.02 Financial Statements and Reporting of the Loan Agreement.

RWFish

Roger Fish
President & CEO
Coalview Centralia, LLC

Date: May 15, 2015

COALVIEW LTD.

COALVIEW CENTRALIA, LLC

ANNUAL REPORT

2015

COALVIEW CENTRALIA, LLC

PROJECT OFFICE: 1044 Big Hanaford Road, Centralia, WA, 98531
ADMINISTRATIVE OFFICE: 75 Valencia Ave., Suite 600, Coral Gables, FL 33134

COALVIEW LTD.

COALVIEW CENTRALIA, LLC ANNUAL REPORT - TABLE OF CONTENTS

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
BALANCE SHEET - AUDITED
DECEMBER 31, 2015

ASSETS	
CURRENT ASSETS	
Cash	$ 494,609
Restricted cash	5,011,507
Accounts receivable, net	336,369
TOTAL CURRENT ASSETS	5,842,485
PROPERTY, PLANT AND EQUIPMENT, net	19,454,589
DEBT ISSUANCE COSTS, net	3,404,799
TOTAL ASSETS	$ 28,701,873
LIABILITIES AND MEMBERS' EQUITY	
CURRENT LIABILITIES	
Accounts payable	$ 69,449
Accrued expenses	345,923
Due to related party	246,669
Bonds payment escrow	1,517,950
Current portion of capital lease	56,000
Current portion of bonds payable	1,510,000
Current portion of note payable	315,579
TOTAL CURRENT LIABILITIES	4,061,570
ASSET RETIREMENT OBLIGATION	153,055
CAPITAL LEASE, less current portion	104,234
BONDS PAYABLE, less current portion	23,089,938
NOTE PAYABLE, less current portion	238,092
TOTAL LIABILITIES	27,646,889
COMMITMENTS AND CONTINGENCIES	
Members' equity	1,054,984
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 28,701,873

The accompanying notes are an integral part of these financial statements.

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
STATEMENT OF OPERATIONS - AUDITED
FOR THE YEAR ENDED DECEMBER 31, 2015

REVENUES	$ 11,293,901
SELLING, GENERAL AND ADMINISTRATIVE	8,892,075
INCOME FROM CONTINUING OPERATIONS	2,401,826
OTHER INCOME (EXPENSES)	
Interest expense	(2,638,344)
Other income	4,850
TOTAL OTHER EXPENSES	(2,633,494)
NET LOSS	$ (231,668)

The accompanying notes are an integral part of these financial statements.

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
STATEMENT OF MEMBERS' EQUITY - AUDITED
FOR THE YEAR ENDED DECEMBER 31, 2015

MEMBERS' EQUITY

Balance, January 1, 2015	$ 1,286,652
Net loss	(231,668)
Balance December 31, 2015	$ 1,054,984

The accompanying notes are an integral part of these financial statements.

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
STATEMENT OF CASH FLOWS - AUDITED
FOR THE YEAR ENDED DECEMBER 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net loss	$ (231,668)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation, amortization and accretion	2,741,060
Changes in operating assets and liabilities:	
Restricted cash	(167,604)
Accounts receivable	67,754
Accounts payable	(883,364)
Accrued expenses	(875,508)
NET CASH PROVIDED BY OPERATING ACTIVITIES	650,670
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of property, plant and equipment	(1,382,824)
Restricted cash	1,759,711
NET CASH PROVIDED BY INVESTING ACTIVITIES	376,887
CASH FLOWS FROM FINANCING ACTIVITES:	
Restricted cash	(1,180,036)
Bond payments held by Trustee	1,517,950
Payments on capital lease obligations	(40,266)
Repayments of bonds payable	(1,240,062)
Repayments of note payable	(229,329)
Net advances from related party	233,027
NET CASH USED IN FINANCING ACTIVITIES	(938,716)
NET INCREASE IN CASH	88,841
CASH AT BEGINNING OF YEAR	405,768
CASH AT END OF YEAR	$ 494,609
SUPPLEMENTAL CASH FLOW DISCLOSURES:	
Interest paid	$ 1,483,044
SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING ACTIVITIES:	
Acquisition of property, plant and equipment through capital leases	$ 200,500

The accompanying notes are an integral part of these financial statements.

NOTE 1 - ORGANIZATION

Coalview Centralia, LLC (the "Company"), a Delaware limited liability company, was formed in 2012 to construct and operate a 200 TPH fine coal recovery ("FCR") plant at the Centralia Mine located in Centralia, Washington. The plant was commissioned in December 2014 and the operation consists of three impoundment structures containing over eighteen million tons of slurry refuse.

The Company is a subsidiary of Coalview LTD, LLC, a Delaware limited liability company, America's leading fully integrated coal technology and fine coal recovery company.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) BASIS OF PRESENTATION AND USE OF ESTIMATES

The Company's accounts are maintained on the accrual basis of accounting and are presented in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Additionally, the Company's coal reserve estimates are its best estimate of product that can be economically and legally extracted from the relevant mining property. Significant judgment is required to generate an estimate based on geological data available. The coal reserve estimates may change from period to period. Actual results could differ from those estimates.

B) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost. Depreciation and amortization is provided over the estimated useful economic lives of the assets and is computed on the straight-line method. Significant renovations and improvements, which improve and/or extend the useful life of the assets, are capitalized at cost and depreciated over their estimated useful life (NOTE 6).

C) DEBT ISSUANCE COSTS

Costs incurred in connection with financing are capitalized as debt issuance costs and are amortized over the term of the related loan (NOTE 7).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D) IMPAIRMENT OF LONG-LIVED ASSETS

If facts and circumstances suggest that the carrying value of a long-lived asset or asset group may not be recoverable, the asset or asset group is reviewed for potential impairment. If this review indicates that the carrying amount of the asset will not be recoverable through projected undiscounted cash flows generated by the asset and its related asset group over its remaining life, then an impairment loss is recognized by reducing the carrying value of the asset to its fair value. No impairment was determined and, accordingly, no adjustment was recorded for 2015.

E) CASH AND CASH EQUIVALENTS

The Company considers all short-term, highly liquid investments that are readily convertible to cash with an original maturity of three months or less to be cash equivalents.

F) RESTRICTED CASH

The Company had restricted cash related primarily to stipulations established in the loan agreement (NOTE 3). At December 31, 2015, restricted cash balances totaled approximately $5,012,000.

G) ACCOUNTS RECEIVABLE

In the normal course of business, the Company provides credit to its customers, performs credit evaluations of these customers, and maintains reserves for potential credit losses, which, when realized, have been within the range of management's allowance for doubtful accounts. Management writes off receivables as a charge to the allowance for credit losses when, in their estimation, it is probable that the receivable is uncollectible. At December 31, 2015, no allowance for doubtful accounts was deemed necessary.

H) CONCENTRATIONS

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and accounts receivable. The Company maintains its cash in bank deposit accounts, which, at times, may exceed the federally insured limits. As of December 31, 2015, the Company's deposit account balance exceeded Federal Deposit Insurance Corporation coverage limits by approximately $5,005,000. No losses have been experienced related to such accounts.

The Company is committed under a long-term contract with one customer to process all coal slurry waste ("WCS") materials and tender all refined coal. During the year ended December 31, 2015, this customer accounted for 100% of operating revenues and accounts receivable.

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I) REVENUE RECOGNITION

The Company has agreements that expire in December 2025 with one customer to exclusively process WCS and tender refined coal. Title to all WCS and refined coal remain with the customer at all times.

The Company recognizes revenue on a semi-monthly basis based on tons of WCS that are dredged or tons of refined coal that are processed within the slurry. The Company earns a base price in accordance with a Tendering and Processing Agreement with its customer for production of WCS and refined coal.

The coal base price is also subject to periodic adjustments based upon the calorific value or other qualities of the refined coal. The standard calorific value is established at 8,400 British Thermal Units (BTU) per pound. If the actual BTU varies from standard BTU, an adjustment is made based on the ratio of actual BTU to standard BTU. Increases in BTU result in positive adjustments and vice versa.

Cumulative differences in processed WCS and refined coal tendered are monitored continually. An additional reserve of funds will be established if WCS production exceeds established thresholds. At December 31, 2015, no reserve was deemed necessary.

J) INCOME TAXES

The Company is organized as a limited liability company and therefore is treated as a partnership for federal and state income tax purposes. The results of operations of the Company are included in the income tax returns of the members and, consequently, no provisions for income taxes have been made in the accompanying financial statements.

The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. No such interest or penalties were recognized during the period presented. The Company had no accrual for interest and penalties at December 31, 2015.

Management identifies and evaluates potential uncertain tax positions to determine whether the probability exists that a tax position taken in a tax return would be sustained upon examination by a taxing authority. The federal tax returns for the Company are generally subject to examination by respective taxing authorities for three years after the returns are filed. The income tax returns for 2012, 2013, 2014 and 2015 (when filed) remain open to possible examination.

K) ADVERTISING COSTS

Advertising costs are expensed as incurred and approximated $42,000 for the year ended December 31, 2015.

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L) ASSET RETIREMENT OBLIGATION

Asset retirement obligations are recognized for legal obligations associated with the retirement of property, plant and equipment. When recording an asset retirement obligation, the present value of the projected liability is recognized in the period in which it is incurred, if a reasonable estimate of fair value can be made. The liability is accreted over time. The present value of the liability is added to the cost of the associated asset and depreciated over the remaining life of the asset. The present value of the initial obligation and subsequent updates are based on discounted cash flows, which include estimates regarding timing of future cash flows and selection of discount rates, among other factors. This calculation represents management's best estimate of the costs that will be incurred but significant judgment is required as many of these costs will not crystallize until the end of the life of the project. The Company reviews its asset retirement obligations at least annually. Adjustments to the liability result in an adjustment to the corresponding asset (NOTE 9).

M) FAIR VALUE MEASUREMENTS

Accounting guidance for fair value measurements defines fair value, establishes a framework for measuring fair value in accounting principles generally accepted in the United States and expands disclosures about fair value measurements. The statement does not require new fair value measurements, but is applied to the extent other accounting pronouncements require or permit fair value measurements.

The Company has a number of financial instruments, including cash, bonds and a note payable. The Company estimates that the fair value of all financial instruments at December 31, 2015 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet.

N) RECENT ACCOUNTING PRONOUNCEMENTS

The Company evaluates new accounting pronouncements for relevance and impact on its financial statements. Management does not expect that the adoption of these new pronouncements will have a material impact on the Company's financial position, results of operations or cash flows.

O) MANAGEMENT'S REVIEW OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 25, 2016, the date on which the financial statements were available to be issued.

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O) MANAGEMENT'S REVIEW OF SUBSEQUENT EVENTS (CONTINUED)

The Company entered into a $725,000 line of credit note with International Finance Bank in February 2016. The line of credit bears interest at Prime Rate plus 2% per annum, provided however that in no event shall the interest rate be less than 5.5%. All accrued and unpaid interest on the outstanding principal balance must be paid monthly. The line of credit matures in February 2017.

In February 2016, the Company entered into a five year agreement with JB&B Capital to finance the refurbishment of a dredge. The total cost of the financed equipment is approximately $806,000.

There were no other subsequent events through March 25, 2016, that required adjustment of or disclosure in the financial statements.

NOTE 3 - BONDS PAYABLE

During 2013, the Company entered into a loan agreement with an agency of the State of Washington for the issuance of revenue bonds pursuant to an indenture entered into by the agency and a financial institution. The purpose of the bonds was to build a waste processing and fine coal recovery plant which will process the coal slurry waste from the impoundments and extract refined coal. The aggregate principal amount of the bonds is $26,500,000. The principal amount was separated into three tranches as follows:

Principal Amounts	Maturity	Interest Rate
$3,500,000	August 1, 2018	9.35%
$9,000,000	August 1, 2025	8.25%
$14,000,000	August 1, 2025	9.50%

The Company, commencing in 2013, is required to pay on the 15th of each month:

(i) prior to and including January 15, 2015 and, thereafter, for the period from February through July of each year, an amount which, if paid in six (6) equal monthly installments, shall be sufficient to pay the principal and interest coming due on the bonds on the next ensuing schedule date for the payment of such principal and/or interest, as applicable; or

(ii) after January 15, 2015, for the period of August through November of each year, an amount which if paid in four (4) equal monthly installments, shall be sufficient to pay the principal and interest coming due on the Bonds on the next ensuing scheduled date for payment of such principal and or interest, as applicable.

NOTE 3 - BONDS PAYABLE (CONTINUED)

The mandatory redemption for each tranche began on August 1, 2015 and the redemption amount is dependent upon the tranche, as defined. The Company has the right to redeem a tranche prior to maturity based on a redemption price, as defined. The bonds payment escrow balance in the balance sheet comprises $660,000 of principal and approximately $858,000 of interest held by the trustee, as of December 31, 2015, for future bond payments. This balance is included in restricted cash on the balance sheet.

The loan agreement and indenture requires certain restrictions including a distribution restriction and establishment of certain reserve cash accounts, as defined. In addition, the Company is not able to obtain additional indebtedness except for the subordinated note payable obtained simultaneously with the bonds (NOTE 4). Furthermore, the Company is required to maintain certain financial covenants. The Company is in compliance with all covenants as of December 31, 2015. The bond is secured by all corporate assets and assignment of certain contracts, as defined.

The following is a schedule of mandatory redemptions for the years ended:

2016	$ 2,170,000
2017	1,890,000
2018	1,610,000
2019	1,695,000
2020	2,280,000
Thereafter	15,615,000
Total	$ 25,260,000

Interest expense totaled approximately $2,545,000 for the year ended December 31, 2015.

NOTE 4 - NOTE PAYABLE

During 2013, the Company entered into an unsecured note payable in the amount of $783,000. The note is fully subordinated to the bonds payable (NOTE 3) with the agency of the State of Washington. The note bears interest at a fixed rate of 15% and required an interest only payment on February 2015 and monthly principal and interest payments of $31,460 commencing on March 2015 until maturity in August 2017.

The following is a schedule of future minimum payments for the years ending December 31,

2016	$ 316,000
2017	238,000
Thereafter	-
Total	$ 554,000

Interest expense totaled approximately $90,000 for the year ended December 31, 2015.

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 5 - RELATED PARTY TRANSACTIONS

In December 2013, the Company entered into an operating and management agreement with Coalview Recovery Group, LLC ("CRG"), a related company through common ownership. As required by the agreement, the Company pays an annual base management fee equal to $600,000, increased annually by the proportional increase and associated weighting of certain BLS Indices. Management fees for the year ended December 31, 2015 totaled $600,000. The operating and management agreement expires December 2025.

The Company also advances monies to or receives monies from related parties from time to time. The amount due to related parties at December 31, 2015 totaled approximately $247,000.

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of the following:

	Useful Lives in Years	
Plant and equipment, including asset retirement obligation	10	$ 18,558,000
Development costs	10	3,522,000
Automobiles	5	66,000
		22,146,000
Less: accumulated depreciation and amortization		2,691,000
		$ 19,455,000

Depreciation and amortization expense related to property, plant and equipment totaled approximately $2,338,000 for the year ended December 31, 2015.

The Company entered into two capital lease agreements during the year ended December 31, 2015. The equipment leased have a cost of approximately $200,000 which is recorded under property, plant and equipment, net in the balance sheet. The Company recorded amortization expense of approximately $5,000 during the year ended December 31, 2015.

The following is a schedule of future minimum lease payments for the years ending December 31,

2016	$ 56,000
2017	56,000
2018	48,000
Total	$ 160,000

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 7 - DEBT ISSUANCE COSTS

Debt issuance costs consists of the following:

	Debt Term in Years	
Financing fees	10	$ 3,596,000
Other costs	10	228,000
		3,824,000
Less: accumulated amortization		(420,000)
		$ 3,404,000

Amortization expense related to debt issuance costs totaled approximately $382,000 for the year ended December 31, 2015.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

LITIGATION

The Company, from time to time, is a defendant in legal actions arising in normal business activities. At December 31, 2015, management is not aware of any significant pending litigation against the Company.

ENVIRONMENTAL AND OTHER REGULATORY MATTERS

Federal, state and local authorities regulate the U.S. coal industry with respect to certain matters such as employee health and safety and the environment, including the protection of air quality, water quality, land uses and other environmental resources. Materials used and generated must also be managed according to applicable regulations and law. These laws have, and will continue to have, a significant effect on the Company's production costs and competitive position. The Company endeavors to operate in compliance with applicable federal, state and local laws and regulations.

Future laws, regulations or orders, as well as future interpretations and more rigorous enforcement of existing laws, regulations or orders, may require substantial increases in equipment and operating costs and may result in delays, interruptions or termination of operations, the extent to which the Company cannot predict. Future laws, regulations or orders may also cause coal to become a less attractive fuel source. As a result, this may adversely affect the Company's operations.

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 9 - ASSET RETIREMENT OBLIGATION

The Company completed construction of a fine coal recovery plant in November 2015, which was placed into commission in December 2015, and has an estimated life of 10 years. The Company is contractually obligated to decommission the plant at the completion of the project. In accordance with FASB ASC 410-20, Asset Retirement Obligations, the Company recognizes asset retirement obligations at fair value. Accretion expense is recognized through the expected settlement date of the obligation. During 2014, the Company recognized the fair value of an asset retirement obligation of approximately $135,000. The Company capitalized that cost as part of the carrying amount of the plant; which is depreciated on a straight-line basis over ten years. There have been no events that would warrant a change in the fair value of the asset retirement obligation in 2015. The following table describes the changes to the Company's asset retirement obligation liability:

Balance at January 1, 2015	$ 137,000
Accretion expense	16,000
Balance at December 31, 2015	$ 153,000

NOTE 10 - POSTRETIREMENT BENEFIT PLANS

The Company has adopted a 401(k) Profit Sharing Plan that allows for employee salary reduction contributions, employer discretionary matching contributions and employer discretionary profit sharing contributions – not to exceed amounts allowed under the Internal Revenue Code.

The employees vest in the 401(k) employer matching and profit sharing contribution at 20% per year after the first full year of employment. Employees become fully vested after six years of service. The employees are always 100% vested in their salary reduction contribution.

The Company elected to match 100% of the employee salary reduction contribution up to 4% of the employee's salary for 2015. This amounted to approximately $32,000 in matching contributions during the year ended December 31, 2015. The Company did not make a discretionary profit sharing contribution during 2015.

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
AUDITOR OPINION LETTER
FOR THE YEAR ENDED DECEMBER 31, 2015

PAAST
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of
Coalview Centralia, LLC

We have audited the accompanying financial statements of Coalview Centralia, LLC (a Delaware limited liability company), which comprise the balance sheet as of December 31, 2015, and the related statements of operations, members' equity and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Coalview Centralia, LLC as of December 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

PAAST, PL

Certified Public Accountants
Coral Gables, Florida
March 25, 2016

COALVIEW LTD.

Certificate for Annual Filing of Certain Financial and Operating Covenants

Issuer:	Washington Economic Development Finance Authority
Issue:	Washington Economic Development Finance Authority Environmental Facilities Revenue Bonds, 2013 (Coalview Centralia, LLC Project)
Company:	Coalview Centralia, LLC
Dissemination Agent:	U.S. Bank National Association
Underwriter:	Oppenheimer & Co. Inc.
Date of Issue:	December 20, 2013

The undersigned authorized representative of the Company is providing the Dissemination Agent the following operational information as required under Section 4 of the Continuing Disclosure Agreement, dated as of December 1, 2013 (the "Disclosure Agreement"), between the Dissemination Agent and the Company. The Dissemination Agreement requires that the Company provide this information to the Dissemination Agent within one hundred and fifty (150) days of the end of each Fiscal Year. Defined terms used in this certificate and not defined herein shall have the meaning granted to such terms in the Loan Agreement, dated as of December 1, 2013 (the "Loan Agreement"), between the Company and the Washington Economic Development Finance Authority. The information contained below is unaudited.

1. The undersigned below is familiar with the provisions of the Loan Agreement and based on such review and familiarity, the Company has fulfilled all of its obligations thereunder throughout the Fiscal Year preceding the date hereof, and there have been no Defaults of Events of Default under the Loan Agreement.

2. All insurance required by the Loan Agreement is in full force and effect as of the date hereof.

3. As of December 31, 2015 the Company's Debt Service Coverage Ratio was 1.40, which does comply with the coverage covenant in Section 5.10 of the Loan Agreement. Compliance with Section 5.10 of the Loan Agreement commences with the Fiscal Year ending on December 31, 2015.

4. As of December 31, 2015 the Company's unrestricted available funds on hand was $494,609 representing 99.7 days multiplied by Average Daily Fixed Expenses of $4,962.

This certificate is being provided by the Company to the Dissemination Agent on a date which is within one hundred and fifty (150) days from the end of the Company's prior fiscal year.

Dated: 3/25/2016

COALVIEW CENTRALIA, LLC

By: RWFish

Name: Roger Fish

Title: President & CEO

COALVIEW LTD.

Certification of No Loan Agreement Event of Default

As Authorized Company Representative of Coalview Centralia, LLC, I hereby certify that there has not been any Event of Default pursuant to the Loan Agreement between Washington Economic Development Finance Authority and Coalview Centralia, LLC dated as of December 1, 2013. This certification is required under Sections 8.02 Financial Statements and Reporting of the Loan Agreement.

RWFish

Roger Fish
President & CEO
Coalview Centralia, LLC

Date: March 25, 2016

COALVIEW LTD.

COALVIEW CENTRALIA, LLC

ANNUAL REPORT

2016

COALVIEW CENTRALIA, LLC

PROJECT OFFICE: 1044 Big Hanaford Road, Centralia, WA, 98531
ADMINISTRATIVE OFFICE: 75 Valencia Ave., Suite 600, Coral Gables, FL 33134

COALVIEW LTD.

COALVIEW CENTRALIA, LLC ANNUAL REPORT - TABLE OF CONTENTS

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
BALANCE SHEET - AUDITED
DECEMBER 31, 2016

ASSETS	
CURRENT ASSETS	
Cash	$ 244,941
Restricted cash	1,243,627
Accounts receivable, net	947,017
TOTAL CURRENT ASSETS	2,435,585
PROPERTY, PLANT AND EQUIPMENT, net	17,988,703
OTHER ASSETS	80,627
TOTAL ASSETS	$ 20,504,915
LIABILITIES AND MEMBERS' DEFICIT	
CURRENT LIABILITIES	
Accounts payable	$ 244,011
Accrued expenses	1,167,594
Due to related party	589,632
Line of credit	709,896
Current portion of equipment financing	119,045
Current portion of capital lease	56,000
Current portion of bonds payable, net of unamortized debt issuance costs	1,587,763
Current portion of note payable	294,008
TOTAL CURRENT LIABILITIES	4,767,949
ASSET RETIREMENT OBLIGATION	170,519
EQUIPMENT FINANCING, net of current portion	529,467
CAPITAL LEASE, net of current portion	50,771
BONDS PAYABLE, net of current portion and unamortized debt issuance costs	18,479,807
TOTAL LIABILITIES	23,998,513
COMMITMENTS AND CONTINGENCIES	
Members' deficit	(3,493,598)
TOTAL LIABILITIES AND MEMBERS' DEFICIT	$ 20,504,915

The accompanying notes are an integral part of these financial statements.

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
STATEMENT OF OPERATIONS - AUDITED
FOR THE YEAR ENDED DECEMBER 31, 2016

REVENUES	$ 10,436,894
SELLING, GENERAL AND ADMINISTRATIVE	9,259,344
INCOME FROM CONTINUING OPERATIONS	1,177,550
OTHER INCOME (EXPENSES)	
Interest expense, including amortization of debt issuance costs	(2,302,552)
Other income	5,701
TOTAL OTHER EXPENSES	(2,296,851)
NET LOSS	$ (1,119,301)

The accompanying notes are an integral part of these financial statements.

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
STATEMENT OF MEMBERS' DEFICIT - AUDITED
FOR THE YEAR ENDED DECEMBER 31, 2016

MEMBERS' DEFICIT

Balance, January 1, 2016	$ 1,054,984
Prior period adjustment, error correction (Note 2)	(3,429,281)
Balance, January 1, 2016, as corrected	(2,374,297)
Net loss	(1,119,301)
Balance, December 31, 2016	$ (3,493,598)

The accompanying notes are an integral part of these financial statements.

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
STATEMENT OF CASH FLOWS - AUDITED
FOR THE YEAR ENDED DECEMBER 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net loss	$ (1,119,301)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation, amortization and accretion	2,770,840
Changes in operating assets and liabilities:	
Restricted cash	918,277
Accounts receivable	(947,017)
Accounts payable	174,561
Accrued expenses	(2,271,240)
NET CASH USED IN OPERATING ACTIVITIES	(473,880)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of property, plant and equipment	(98,792)
NET CASH USED BY INVESTING ACTIVITIES	(98,792)
CASH FLOWS FROM FINANCING ACTIVITES:	
Restricted cash	2,849,603
Payments of security deposit	(80,627)
Proceeds from line of credit, net	709,896
Payments on equipment financing	(157,755)
Repayments of bonds held by Trustee	(1,517,950)
Payments on capital lease obligations	(53,463)
Repayments of bonds payable	(1,510,000)
Repayments of note payable	(259,663)
Net advances from related party	342,963
NET CASH PROVIDED BY FINANCING ACTIVITIES	323,004
NET DECREASE IN CASH	(249,668)
CASH AT BEGINNING OF YEAR	494,609
CASH AT END OF YEAR	$ 244,941
SUPPLEMENTAL CASH FLOW DISCLOSURES:	
Interest paid	$ 1,256,550

The accompanying notes are an integral part of these financial statements.

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
STATEMENT OF CASH FLOWS - AUDITED (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016

SUPPLEMENTAL DISCLOSURES OF NON-CASH ACTIVITIES:

Acquisition of property, plant and equipment through debt financing	$ 806,267
Prior period adjustment related to overbilling, error correction (Note 2)	$ 3,429,281

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1 - ORGANIZATION

Coalview Centralia, LLC (the "Company"), a Delaware limited liability company, was formed in 2012 to construct and operate a 200 TPH fine coal recovery ("FCR") plant at the Centralia Mine located in Centralia, Washington. The plant was commissioned in December 2014 and the operation consists of three impoundment structures containing over eighteen million tons of slurry refuse.

The Company is a subsidiary of Coalview LTD, LLC, a Delaware limited liability company, America's leading fully integrated coal technology and fine coal recovery company.

NOTE 2 - RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS

The Company has restated its balance sheet as of December 31, 2015 and its statement of operations, member's equity (deficit) and cash flows for the year ended December 31, 2015. In 2016, the Company identified a billing error due to the meter reading inaccurate measurements in 2015. The inaccurate measurements resulted in the Company overbilling its customer approximately $3.4 million in 2015. As a result, the Company identified adjustments relating to revenue, accounts receivable and other liabilities in the 2015 financial statements.

The following table presents the impact of the restatement on the previously issued financial statement line items. The "As restated" column for 2015 reflects the final adjusted balance after the related restatement.

	As Reported	As Restated
Balance Sheet		
Accounts receivable, net	$ 336,369	$ -
Total current assets	5,842,485	5,506,116
Total assets	28,701,873	28,365,504
Other liabilities	-	3,092,912
Total current liabilities	4,061,570	7,154,482
Total liabilities	27,646,889	30,739,801
Members' equity	1,054,984	(2,374,297)
Total liabilities and members' equity	28,701,873	28,365,504

	As Reported	As Restated
Statement of Operations		
Revenues	$ 11,293,901	$ 7,864,620
Income from continuing operations	2,401,826	(1,027,455)
Net loss	(231,668)	(3,660,949)

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2 - RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS (CONTINUED)

	As Reported	As Restated
Statement of Members' Equity (Deficit)		
Net loss	$ (231,668)	$ (3,660,949)
Balance, December 31, 2015	1,054,984	(2,374,297)

	As Reported	As Restated
Statement of Cash Flows		
Net loss	$ (231,668)	$ (3,660,949)
Change in operating assets and liabilities:		
Accounts receivable	67,754	404,123
Other liabilities	-	3,092,912

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLE FOR ADOPTING NEW ACCOUNTING PRONOUNCEMENT

In April 2015, the Financial Accounting Standards Board ("FASB") issued *Accounting Standards Update ("ASU") No 2015-03, Interest – Imputation of Interest (Subtopic 835-30) – Simplifying the Presentation of Debt Issuance Costs.* This ASU became effective for fiscal years beginning after December 15, 2015. In 2016, the Company retrospectively adopted the requirements of ASU 2015-03 to present debt issuance costs as a reduction of the carrying amount of the debt rather than as an asset. In addition, the Company now accounts for the amortization of the debt issuance as interest expense. Bonds payable as of December 31, 2015 was previously reported on the balance sheet as $24,599,938 with the associated $3,404,799 unamortized debt issuance costs included in other assets. Amortization of the debt issuance costs of approximately $382,000 is reported as interest expense in the income statement and was previously presented as amortization expense. The results of retroactively applying this new accounting pronouncement does not impact the amount previously reported as members' equity.

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) BASIS OF PRESENTATION AND USE OF ESTIMATES

The Company's accounts are maintained on the accrual basis of accounting and are presented in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Additionally, the Company's coal reserve estimates are its best estimate of product that can be economically and legally extracted from the relevant mining property. Significant judgment is required to generate an estimate based on geological data available. The coal reserve estimates may change from period to period. Actual results could differ from those estimates.

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B) DEBT ISSUANCE COSTS

Debt issuance costs is presented as a reduction of the carrying amount of the related debt in the accompanying balance sheet (NOTE 11). Costs incurred in connection with financing are amortized over the term of the related loan. Amortization expense pertaining to debt issuance costs is included in interest expense in the accompanying statement of operations.

C) IMPAIRMENT OF LONG-LIVED ASSETS

If facts and circumstances suggest that the carrying value of a long-lived asset or asset group may not be recoverable, the asset or asset group is reviewed for potential impairment. If this review indicates that the carrying amount of the asset will not be recoverable through projected undiscounted cash flows generated by the asset and its related asset group over its remaining life, then an impairment loss is recognized by reducing the carrying value of the asset to its fair value. No impairment was determined and, accordingly, no adjustment was recorded for 2016.

D) CASH AND CASH EQUIVALENTS

The Company considers all short-term, highly liquid investments that are readily convertible to cash with an original maturity of three months or less to be cash equivalents.

E) RESTRICTED CASH

The Company had restricted cash related primarily to stipulations established in the bonds payable agreement (NOTE 5). At December 31, 2016, restricted cash balances totaled approximately $1,244,000.

F) ACCOUNTS RECEIVABLE

In the normal course of business, the Company provides credit to its customers, performs credit evaluations of these customers, and maintains reserves for potential credit losses, which, when realized, have been within the range of management's allowance for doubtful accounts. Management writes off receivables as a charge to the allowance for credit losses when, in their estimation, it is probable that the receivable is uncollectible. At December 31, 2016, no allowance for doubtful accounts was deemed necessary.

G) CONCENTRATIONS

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and accounts receivable. The Company maintains its cash in bank deposit accounts, which, at times, may exceed the federally insured limits. No losses have been experienced related to such accounts.

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G) CONCENTRATIONS (CONTINUED)

The Company is committed under a long-term contract with one customer to process all coal slurry waste (“WCS”) materials and tender all refined coal. During the year ended December 31, 2016, this customer accounted for 100% of operating revenues and accounts receivable.

H) REVENUE RECOGNITION

The Company has agreements that expire in December 2025 with one customer to exclusively process WCS and tender refined coal. Title to all WCS and refined coal remain with the customer at all times.

The Company recognizes revenue on a semi-monthly basis based on tons of WCS that are dredged or tons of refined coal that are processed within the slurry. The Company earns a base price in accordance with a Tendering and Processing Agreement with its customer for production of WCS and refined coal.

The coal base price is also subject to periodic adjustments based upon the calorific value or other qualities of the refined coal. The standard calorific value is established at 8,400 British Thermal Units (BTU) per pound. If the actual BTU varies from standard BTU, an adjustment is made based on the ratio of actual BTU to standard BTU. Increases in BTU result in positive adjustments and vice versa.

Cumulative differences in processed WCS and refined coal tendered are monitored continually. An additional reserve of funds will be established if WCS production exceeds established thresholds. At December 31, 2016, no reserve was deemed necessary.

J) INCOME TAXES

The Company is organized as a limited liability company and therefore, is treated as a partnership for federal and state income tax purposes. The results of operations of the Company are included in the income tax returns of the members and, consequently, no provisions for income taxes have been made in the accompanying financial statements.

The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. No such interest or penalties were recognized during the period presented. The Company had no accrual for interest and penalties at December 31, 2016.

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J) INCOME TAXES (CONTINUED)

Management identifies and evaluates potential uncertain tax positions to determine whether the probability exists that a tax position taken in a tax return would be sustained upon examination by a taxing authority. The federal tax returns for the Company are generally subject to examination by respective taxing authorities for three years after the returns are filed. The income tax returns for 2013, 2014, 2015 and 2016 (when filed) remain open to possible examination.

K) ADVERTISING COSTS

Advertising costs are expensed as incurred and approximated $2,000 for the year ended December 31, 2016.

L) ASSET RETIREMENT OBLIGATION

Asset retirement obligations are recognized for legal obligations associated with the retirement of property, plant and equipment. When recording an asset retirement obligation, the present value of the projected liability is recognized in the period in which it is incurred, if a reasonable estimate of fair value can be made. The liability is accreted over time. The present value of the liability is added to the cost of the associated asset and depreciated over the remaining life of the asset. The present value of the initial obligation and subsequent updates are based on discounted cash flows, which include estimates regarding timing of future cash flows and selection of discount rates, among other factors. This calculation represents management's best estimate of the costs that will be incurred but significant judgment is required as many of these costs will not crystallize until the end of the life of the project. The Company reviews its asset retirement obligations at least annually. Adjustments to the liability result in an adjustment to the corresponding asset (NOTE 13).

M) FAIR VALUE MEASUREMENTS

Accounting guidance for fair value measurements defines fair value, establishes a framework for measuring fair value in accounting principles generally accepted in the United States and expands disclosures about fair value measurements. The statement does not require new fair value measurements, but is applied to the extent other accounting pronouncements require or permit fair value measurements.

The Company has a number of financial instruments, including cash, bonds and notes payable. The Company estimates that the fair value of all financial instruments at December 31, 2016 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet.

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N) RECENT ACCOUNTING PRONOUNCEMENTS

The Company evaluates new accounting pronouncements for relevance and impact on its financial statements. Management does not expect that the adoption of these new pronouncements will have a material impact on the Company's financial position, results of operations or cash flows.

O) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost. Depreciation and amortization is provided over the estimated useful economic lives of the assets and is computed on the straight-line method. Significant renovations and improvements, which improve and/or extend the useful life of the assets, are capitalized at cost and depreciated over their estimated useful life (NOTE 10).

P) MANAGEMENT'S REVIEW OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 16, 2017, the date on which the financial statements were available to be issued. There were no subsequent events through August 16, 2017, that required adjustment of or disclosures in the financial statements, except as disclosed (Notes 5, 6 and 7).

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 5 - BONDS PAYABLE

Bonds payable consists of the following as of December 31, 2016:

	Principal	Unamortized Debt Issuance Costs
Bonds payable	$ 23,089,938	$ 3,022,368
Less: current portion	1,890,000	302,237
	$ 21,199,938	$ 2,720,131

During 2013, the Company entered into a loan agreement with an agency of the State of Washington for the issuance of revenue bonds pursuant to an indenture entered into by the agency and a financial institution. The purpose of the bonds was to build a waste processing and fine coal recovery plant which will process the coal slurry waste from the impoundments and extract refined coal. The aggregate principal amount of the bonds is $26,500,000. The principal amount was separated into three tranches as follows:

Principal Amounts	Maturity	Interest Rate
$3,500,000	August 1, 2018	9.35%
$9,000,000	August 1, 2025	8.25%
$14,000,000	August 1, 2025	9.50%

The Company, commencing in 2013, is required to pay on the 15th of each month:

(i) prior to and including January 15, 2015 and, thereafter, for the period from February through July of each year, an amount which, if paid in six (6) equal monthly installments, shall be sufficient to pay the principal and interest coming due on the bonds on the next ensuing schedule date for the payment of such principal and/or interest, as applicable; or

(ii) after January 15, 2015, for the period of August through November of each year, an amount which if paid in four (4) equal monthly installments, shall be sufficient to pay the principal and interest coming due on the Bonds on the next ensuing scheduled date for payment of such principal and or interest, as applicable.

The mandatory redemption for each tranche began on August 1, 2015 and the redemption amount is dependent upon the tranche, as defined. The Company has the right to redeem a tranche prior to maturity based on a redemption price, as defined.

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 5 - BONDS PAYABLE (CONTINUED)

The loan agreement and indenture requires certain restrictions including a distribution restriction and establishment of certain reserve cash accounts, as defined. Furthermore, the Company is required to maintain certain financial covenants. The bond is secured by all corporate assets and assignment of certain contracts, as defined.

The Company was not in compliance with the covenants as of December 31, 2016. As a result, the Company entered into a forbearance agreement in December 2016 then subsequently in August 2017. Under the forbearance agreement of August 2017, the borrower agreed to amend the bond documents to provide for the extension of the optional redemption of the bonds and extension of the principal installment due on February 1, 2017 as agreed by the owners of the bonds. The forbearance period shall to continue until the earlier of a forbearance termination event or December 31, 2017.

The following is a schedule of approximate mandatory redemptions for the years ended:

2017	$ 1,890,000
2018	1,610,000
2019	1,695,000
2020	2,280,000
2021	2,625,000
Thereafter	12,990,000
Total	$ 23,090,000

Interest expense totaled approximately $2,150,000 for the year ended December 31, 2016.

NOTE 6 - NOTE PAYABLE

During 2013, the Company entered into an unsecured note payable in the amount of $783,000. The note is fully subordinated to the bonds payable (NOTE 5) with the agency of the State of Washington. The note bears interest at a fixed rate of 15% and required an interest only payment on February 2015 and monthly principal and interest payments of $31,460 commencing on March 2015 until maturity in August 2017. As of December 31, 2016, there was approximately $294,000 outstanding under this note.

The note had a maturity date of August 2017. However, it was not paid off by the maturity date and is currently being paid according to the cash flow waterfall per the August 2017 forbearance agreement the Company entered into related to the bonds payable (Note 5), as agreed by the lender.

Interest expense totaled approximately $62,000 for the year ended December 31, 2016.

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 7 - LINE OF CREDIT

During 2016, the Company entered into a revolving line of credit agreement in the amount of $725,000. The note bears interest at the Wall Street Journal prime rate plus 2% per annum, provided however, that in no event shall the interest rate be less than 5.5% (5.5% at December 31, 2016). Furthermore, the Company is required to maintain certain financial covenants. The Company was in compliance with all covenants as of December 31, 2016.

As of December 31, 2016, the balance outstanding under the line of credit was approximately $710,000. Interest expense totaled approximately $29,000 for the year ended December 31, 2016.

The line of credit had a maturity date of February 2017. In May 2017, this line of credit was converted to a term loan in the amount of $709,896. Interest only payments were required to be made until the conversion. The loan matures in June 2022 and bears interest at London Interbank Borrowing Market ("LIBOR") plus 6% per annum. The loan requires 58 principal payments of approximately $11,800 each, starting in August 2017 and one final principal and interest payment of approximately $23,800. The term loan is subordinated to the bonds and subordinated note and is secured by any assets of the borrower. Furthermore, the Company is required to maintain certain financial covenants.

NOTE 8 - EQUIPMENT FINANCING

During 2016, the Company entered into an agreement to finance equipment for approximately $806,000. The financing agreement bears interest at a fixed rate of 9.23% and required an initial payment and a security deposit of approximately $81,000 which is recorded in other assets in the accompanying balance sheet. Monthly principal and interest payments of approximately $14,500 were required commencing on March 2016 until maturity in March 2021.

The following is a schedule of mandatory redemptions for the years ended:

2017	$ 119,000
2018	131,000
2019	143,000
2020	157,000
2021	99,000
Thereafter	-
Total	$ 649,000

Interest expense totaled approximately $48,000 for the year ended December 31, 2016.

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 9 - RELATED PARTY TRANSACTIONS

In December 2013, the Company entered into an operating and management agreement with Coalview Recovery Group, LLC, a related company through common ownership. As required by the agreement, the Company pays an annual base management fee equal to $600,000, increased annually by the proportional increase and associated weighting of certain BLS Indices. Management fees for the year ended December 31, 2016 totaled $600,000. The operating and management agreement expires in December 2025.

The Company also advances monies to or receives monies from related parties from time to time. The amount due to related parties at December 31, 2016 totaled approximately $590,000.

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of the following:

	Useful Lives in Years	
Plant and equipment, including asset retirement obligation	10	$ 19,463,251
Development costs	10	3,522,036
Automobiles	5	65,500
		23,050,787
Less: accumulated depreciation and amortization		5,062,084
		$ 17,988,703

Depreciation and amortization expense related to property, plant and equipment, including depreciation of the capital lease assets, totaled approximately $2,371,000 for the year ended December 31, 2016.

In 2015, the Company entered into two capital lease agreements. The equipment leased had a cost of approximately $200,000 and is recorded under property, plant and equipment, net in the accompanying balance sheet.

The following is a schedule of future minimum lease payments for the years ending December 31,

2017	$ 56,000
2018	51,000
Total	$ 107,000

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 11 - DEBT ISSUANCE COSTS

Debt issuance costs consists of the following:

	Debt Term in Years	
Financing fees	10	$ 3,596,331
Other costs	10	227,982
		3,824,313
Less: accumulated amortization		(801,945)
		$ 3,022,368

Amortization expense related to debt issuance costs totaled approximately $382,000 for the year ended December 31, 2016 and is included in interest expense in the accompanying statement of operations.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

LITIGATION

The Company, from time to time, is a defendant in legal actions arising in normal business activities. At December 31, 2016, management is not aware of any significant pending litigation against the Company.

ENVIRONMENTAL AND OTHER REGULATORY MATTERS

Federal, state and local authorities regulate the U.S. coal industry with respect to certain matters such as employee health and safety and the environment, including the protection of air quality, water quality, land uses and other environmental resources. Materials used and generated must also be managed according to applicable regulations and law. These laws have, and will continue to have, a significant effect on the Company's production costs and competitive position. The Company endeavors to operate in compliance with applicable federal, state and local laws and regulations.

Future laws, regulations or orders, as well as future interpretations and more rigorous enforcement of existing laws, regulations or orders, may require substantial increases in equipment and operating costs and may result in delays, interruptions or termination of operations, the extent to which the Company cannot predict. Future laws, regulations or orders may also cause coal to become a less attractive fuel source. As a result, this may adversely affect the Company's operations.

NOTE 13 - ASSET RETIREMENT OBLIGATION

The Company completed construction of a fine coal recovery plant in November 2014, which was placed into commission in December 2014, and has an estimated life of 10 years. The Company is contractually obligated to decommission the plant at the completion of the project. In accordance with FASB ASC 410-20, Asset Retirement Obligations, the Company recognizes asset retirement obligations at fair value. Accretion expense is recognized through the expected settlement date of the obligation. During 2014, the Company recorded approximately $135,000 for the fair value of the asset retirement obligation. The Company capitalized that cost as part of the carrying amount of the plant; which is depreciated on a straight-line basis over ten years. There have been no events that would warrant a change in the fair value of the asset retirement obligation in 2016. The following table describes the changes to the Company's asset retirement obligation liability:

Balance at January 1, 2016	$	153,055
Accretion expense		17,464
Balance at December 31, 2016	$	170,519

NOTE 14 - POSTRETIREMENT BENEFIT PLANS

The Company has adopted a 401(k) Profit Sharing Plan that allows for employee salary reduction contributions, employer discretionary matching contributions and employer discretionary profit sharing contributions, not to exceed amounts allowed under the Internal Revenue Code.

The employees vest in the 401(k) employer matching and profit sharing contribution at 20% per year after the first full year of employment. Employees become fully vested after six years of service. The employees are always 100% vested in their salary reduction contribution.

The Company elected to match 100% of the employee salary reduction contribution up to 4% of the employee's salary in 2016. This amounted to approximately $38,000 in matching contributions during the year ended December 31, 2016. The Company did not make a discretionary profit sharing contribution in 2016.

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
AUDITOR OPINION LETTER
FOR THE YEAR ENDED DECEMBER 31, 2016

PAAST
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Coalview Centralia, LLC

We have audited the accompanying financial statements of Coalview Centralia, LLC (a Delaware limited liability company), which comprise the balance sheet as of December 31, 2016, and the related statements of operations, members' deficit and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

COALVIEW LTD.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Coalview Centralia, LLC as of December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2, the 2015 financial statements have been restated to correct misstatements related to revenue overbilling. Our opinion is not modified with respect to that matter.

Change in Accounting Principle

As discussed in Note 3, the Financial Accounting Standards Board recently issued ASU No. 2015-03, *Interest – Imputation of Interest (Subtopic 835-30) – Simplifying the Presentation of Debt Issuance Costs,* which requires debt issuance costs related to term loans to be presented as a direct deduction from the carrying amount of the debt liability and the amortization of these debt issuance costs should be reported as interest expense. Our opinion is not modified with respect to that matter.

PAAST, PL

Certified Public Accountants
Coral Gables, Florida
August 16, 2017

COALVIEW LTD.

Certificate for Annual Filing of Certain Financial and Operating Covenants

Issuer:	Washington Economic Development Finance Authority
Issue:	Washington Economic Development Finance Authority Environmental Facilities Revenue Bonds, 2013 (Coalview Centralia, LLC Project)
Company:	Coalview Centralia, LLC
Dissemination Agent:	U.S. Bank National Association
Underwriter:	Oppenheimer & Co. Inc.
Date of Issue:	December 20, 2013

The undersigned authorized representative of the Company is providing the Dissemination Agent the following operational information as required under Section 4 of the Continuing Disclosure Agreement, dated as of December 1, 2013 (the "Disclosure Agreement"), between the Dissemination Agent and the Company. The Dissemination Agreement requires that the Company provide this information to the Dissemination Agent within one hundred and fifty (150) days of the end of each Fiscal Year. Defined terms used in this certificate and not defined herein shall have the meaning granted to such terms in the Loan Agreement, dated as of December 1, 2013 (the "Loan Agreement"), between the Company and the Washington Economic Development Finance Authority. The information contained below is unaudited.

1. The undersigned below is familiar with the provisions of the Loan Agreement and based on such review and familiarity, the Company has fulfilled all of its obligations thereunder throughout the Fiscal Year preceding the date hereof, and there have been no Defaults of Events of Default under the Loan Agreement other than the following:
   a. Coalview Centralia, LLC has failed to replenish the deficiency in the Debt Service Reserve Fund in accordance with Article IV of the Indenture.
   b. Coalview Centralia, LLC has failed to transfer sufficient Project Revenues for three consecutive months to fund transfers to the Bond Fund required by Section 6.1(b)(1) of the Indenture in the full required amount thereof, including any overdue transfers.
   c. For the twelve-month period ending December 30, 2016, the Debt Service Coverage Ratio for Coalview Centralia, LLC is less than 1.0 to 1.
   d. Coalview has entered into a Forbearance Agreement with the Trustee, dated December 22, 2016 granting Coalview forbearance from the above events of default as they are being cured in coordination with the Bondholders and the Trustee.

2. All insurance required by the Loan Agreement is in full force and effect as of the date hereof.

3. As of December 31, 2016 the Company's Debt Service Coverage Ratio was 0.93, which does not comply with the coverage covenant in Section 5.10 of the Loan Agreement. Compliance with Section 5.10 of the Loan Agreement commences with the Fiscal Year ending on December 31, 2015.

4. As of December 31, 2016 the Company's unrestricted available funds on hand was $244,941 representing 49 days multiplied by Average Daily Fixed Expenses of $4,962.

COALVIEW LTD.

This certificate is being provided by the Company to the Dissemination Agent on a date which is allowed by a Forbearance Agreement with the Trustee, dated August 16, 2017 granting Coalview 35 days following execution to provide Annual Audit and required corresponding financial information.

Dated: 8/16/2017

COALVIEW CENTRALIA, LLC

By: RWFish

Name: Roger Fish

Title: President & CEO

COALVIEW LTD.

Certification of No Loan Agreement Event of Default

As Authorized Company Representative of Coalview Centralia, LLC, I hereby certify that there has not been any Event of Default pursuant to the Loan Agreement between Washington Economic Development Finance Authority and Coalview Centralia, LLC dated as of December 1, 2013 other than the following:

- Coalview Centralia, LLC has failed to replenish the deficiency in the Debt Service Reserve Fund.
- Coalview Centralia, LLC has failed to transfer sufficient Project Revenues for three consecutive months to fund transfers to the Bond Fund in the full required amount thereof, including any overdue transfers.
- For the twelve-month period ending December 30, 2016, the Debt Service Coverage Ratio for Coalview Centralia, LLC is less than 1.0 to 1.
- Coalview has entered into a Forbearance Agreement with the Trustee, dated December 22, 2016 granting Coalview forbearance from the above events of default as they are being cured in coordination with the Bondholders and the Trustee.

This certification is required under Sections 8.02 Financial Statements and Reporting of the Loan Agreement.

RWFish

Roger Fish
President & CEO
Coalview Centralia, LLC

Date: August 16, 2017

COALVIEW LTD.

COALVIEW CENTRALIA, LLC

ANNUAL REPORT

2017

COALVIEW CENTRALIA, LLC

PROJECT OFFICE: 1044 Big Hanaford Road, Centralia, WA, 98531
ADMINISTRATIVE OFFICE: 75 Valencia Ave., Suite 600, Coral Gables, FL 33134

COALVIEW LTD.

COALVIEW CENTRALIA, LLC ANNUAL REPORT - TABLE OF CONTENTS

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
BALANCE SHEET
DECEMBER 31, 2017

ASSETS	
CURRENT ASSETS	
Cash	$ 281,232
Restricted cash	2,652,576
Accounts receivable, net	1,095,252
TOTAL CURRENT ASSETS	4,029,060
PROPERTY, PLANT AND EQUIPMENT, net	15,697,978
OTHER ASSETS	80,627
TOTAL ASSETS	$ 19,807,665
LIABILITIES AND MEMBERS' DEFICIT	
CURRENT LIABILITIES	
Accounts payable	$ 144,443
Accrued expenses	1,161,918
Due to related party	1,026,720
Current portion of equipment financing	140,859
Capital lease	53,309
Current portion of bonds payable, net of unamortized debt issuance costs	2,216,006
Current portion of term loan	141,600
Note payable	294,008
TOTAL CURRENT LIABILITIES	5,178,863
ASSET RETIREMENT OBLIGATION	189,975
EQUIPMENT FINANCING, net of current portion	393,718
BONDS PAYABLE, net of current portion and unamortized debt issuance costs	17,213,996
Term Loan, net of current portion	509,138
TOTAL LIABILITIES	23,485,690
COMMITMENTS AND CONTINGENCIES	
Members' deficit	(3,678,025)
TOTAL LIABILITIES AND MEMBERS' DEFICIT	$ 19,807,665

The accompanying notes are an integral part of these financial statements.

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017

REVENUES	$ 10,990,473
SELLING, GENERAL AND ADMINISTRATIVE	(8,600,318)
INCOME FROM CONTINUING OPERATIONS	2,390,155
OTHER (EXPENSES) INCOME	
Interest expense, including amortization of debt issuance costs	(2,584,127)
Other income	9,545
TOTAL OTHER EXPENSES	(2,574,582)
NET LOSS	$ (184,427)

The accompanying notes are an integral part of these financial statements.

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
STATEMENT OF MEMBERS' DEFICIT
FOR THE YEAR ENDED DECEMBER 31, 2017

MEMBERS' DEFICIT

Balance, January 1, 2017	$ (3,493,598)
Net loss	(184,427)
Balance, December 31, 2017	$ (3,678,025)

The accompanying notes are an integral part of these financial statements.

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net loss	$ (184,427)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation, amortization and accretion	2,786,730
Changes in operating assets and liabilities:	
Accounts receivable	(148,235)
Accounts payable	(99,568)
Accrued expenses	(5,676)
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,348,824
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of property, plant and equipment	(94,117)
NET CASH USED IN INVESTING ACTIVITIES	(94,117)
CASH FLOWS FROM FINANCING ACTIVITES:	
Restricted cash	(1,408,949)
Payments on equipment financing	(113,935)
Payments on capital lease obligations	(53,462)
Repayments of bonds payable	(1,020,000)
Repayments of term loan	(59,158)
Net advances from related party	437,088
NET CASH USED IN FINANCING ACTIVITIES	(2,218,416)
NET INCREASE IN CASH	36,291
CASH AT BEGINNING OF YEAR	244,941
CASH AT END OF YEAR	$ 281,232
SUPPLEMENTAL CASH FLOW DISCLOSURE:	
Interest paid	$ 1,539,339

The accompanying notes are an integral part of these financial statements.

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1 - ORGANIZATION

Coalview Centralia, LLC (the "Company"), a Delaware limited liability company, was formed in 2012 to construct and operate a 200 TPH fine coal recovery ("FCR") plant at the Centralia Mine located in Centralia, Washington. The plant was commissioned in December 2014 and the operation consists of three impoundment structures containing over eighteen million tons of slurry refuse.

The Company is a subsidiary of Coalview LTD, LLC, a Delaware limited liability company, America's leading fully integrated coal technology and fine coal recovery company.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) BASIS OF PRESENTATION AND USE OF ESTIMATES

The Company's accounts are maintained on the accrual basis of accounting and are presented in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Additionally, the Company's coal reserve estimates are its best estimate of product that can be economically and legally extracted from the relevant mining property. Significant judgment is required to generate an estimate based on geological data available. The coal reserve estimates may change from period to period. Actual results could differ from those estimates.

B) DEBT ISSUANCE COSTS

Debt issuance costs is presented as a reduction of the carrying amount of the related debt in the accompanying balance sheet (NOTE 9). Costs incurred in connection with financing are amortized over the term of the related loan. Amortization expense pertaining to debt issuance costs is included in interest expense in the accompanying statement of operations.

C) IMPAIRMENT OF LONG-LIVED ASSETS

If facts and circumstances suggest that the carrying value of a long-lived asset or asset group may not be recoverable, the asset or asset group is reviewed for potential impairment. If this review indicates that the carrying amount of the asset will not be recoverable through projected undiscounted cash flows generated by the asset and its related asset group over its remaining life, then an impairment loss is recognized by reducing the carrying value of the asset to its fair value. No impairment was determined and, accordingly, no adjustment was recorded for 2017.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D) CASH AND CASH EQUIVALENTS

The Company considers all short-term, highly liquid investments that are readily convertible to cash with an original maturity of three months or less to be cash equivalents.

E) RESTRICTED CASH

The Company had restricted cash related primarily to stipulations established in the bonds payable agreement (NOTE 3). At December 31, 2017, restricted cash balances totaled approximately $2,653,000.

F) ACCOUNTS RECEIVABLE

In the normal course of business, the Company provides credit to its customers, performs credit evaluations of these customers, and maintains reserves for potential credit losses, which, when realized, have been within the range of management's allowance for doubtful accounts. Management writes off receivables as a charge to the allowance for credit losses when, in their estimation, it is probable that the receivable is uncollectible. At December 31, 2017, no allowance for doubtful accounts was deemed necessary.

G) CONCENTRATIONS

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and accounts receivable. The Company maintains its cash in bank deposit accounts, which, at times, may exceed the federally insured limits. No losses have been experienced related to such accounts.

The Company is committed under a long-term contract with one customer to process all coal slurry waste ("WCS") materials and tender all refined coal. During the year ended December 31, 2017, this customer accounted for 100% of operating revenues and accounts receivable.

H) REVENUE RECOGNITION

The Company has agreements that expire in December 2025 with one customer to exclusively process WCS and tender refined coal. Title to all WCS and refined coal remain with the customer at all times.

The Company recognizes revenue on a semi-monthly basis based on tons of WCS that are dredged or tons of refined coal that are processed within the slurry. The Company earns a base price in accordance with a Tendering and Processing Agreement with its customer for production of WCS and refined coal.

The coal base price is also subject to periodic adjustments based upon the calorific value or other qualities of the refined coal. The standard calorific value is established at 8,400 British Thermal Units (BTU) per pound. If the actual BTU varies from standard BTU, an adjustment is made based on the ratio of actual BTU to standard BTU. Increases in BTU result in positive adjustments and vice versa.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cumulative differences in processed WCS and refined coal tendered are monitored continually. An additional reserve of funds will be established if WCS production exceeds established thresholds. At December 31, 2017, no reserve was deemed necessary.

I) INCOME TAXES

The Company is organized as a limited liability company and therefore, is treated as a partnership for federal and state income tax purposes. The results of operations of the Company are included in the income tax returns of the members and, consequently, no provisions for income taxes have been made in the accompanying financial statements.

The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. No such interest or penalties were recognized during the period presented. The Company had no accrual for interest and penalties at December 31, 2017.

Management identifies and evaluates potential uncertain tax positions to determine whether the probability exists that a tax position taken in a tax return would be sustained upon examination by a taxing authority. The federal tax returns for the Company are generally subject to examination by respective taxing authorities for three years after the returns are filed. The income tax returns for 2014, 2015, 2016 and 2017 (when filed) remain open to possible examination.

J) ADVERTISING COSTS

Advertising costs are expensed as incurred and approximated $1,500 for the year ended December 31, 2017.

K) ASSET RETIREMENT OBLIGATION

Asset retirement obligations are recognized for legal obligations associated with the retirement of property, plant and equipment. When recording an asset retirement obligation, the present value of the projected liability is recognized in the period in which it is incurred, if a reasonable estimate of fair value can be made. The liability is accreted over time. The present value of the liability is added to the cost of the associated asset and depreciated over the remaining life of the asset. The present value of the initial obligation and subsequent updates are based on discounted cash flows, which include estimates regarding timing of future cash flows and selection of discount rates, among other factors. This calculation represents management’s best estimate of the costs that will be incurred but significant judgment is required as many of these costs will not crystallize until the end of the life of the project. The Company reviews its asset retirement obligations at least annually. Adjustments to the liability result in an adjustment to the corresponding asset (NOTE 11).

L) FAIR VALUE MEASUREMENTS

Accounting guidance for fair value measurements defines fair value, establishes a framework for measuring fair value in accounting principles generally accepted in the United States and

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L) FAIR VALUE MEASUREMENTS (CONTINUED)

expands disclosures about fair value measurements. The statement does not require new fair value measurements, but is applied to the extent other accounting pronouncements require or permit fair value measurements.

The Company has a number of financial instruments, including cash, bonds and notes payable. The Company estimates that the fair value of all financial instruments at December 31, 2017 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet.

M) RECENT ACCOUNTING PRONOUNCEMENTS

The Company evaluates new accounting pronouncements for relevance and impact on its financial statements. Management is currently evaluating the effect the pronouncements will have on its financial statements.

N) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost. Depreciation and amortization is provided over the estimated useful economic lives of the assets and is computed on the straight-line method. Significant renovations and improvements, which improve and/or extend the useful life of the assets, are capitalized at cost and depreciated over their estimated useful life (NOTE 8).

O) MANAGEMENT'S REVIEW OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 22, 2018, the date on which the financial statements were available to be issued. There were no subsequent events through February 22, 2018, that required adjustment of or disclosures in the financial statements, except as disclosed (Note 3).

NOTE 3 - BONDS PAYABLE

Bonds payable consists of the following as of December 31, 2017:

	Principal	Unamortized Debt Issuance Costs
Bonds payable	$ 22,069,939	$ 2,639,937
Less: current portion	2,480,000	263,994
	$ 19,589,939	$ 2,375,943

During 2013, the Company entered into a loan agreement with an agency of the State of Washington for the issuance of revenue bonds pursuant to an indenture entered into by the agency and a financial institution. The purpose of the bonds was to build a waste processing

COALVIEW LTD.

NOTE 3 - BONDS PAYABLE (CONTINUED)

and fine coal recovery plant which will process the coal slurry waste from the impoundments and extract refined coal. The aggregate principal amount of the bonds is $26,500,000.

The principal amount was separated into three tranches as follows:

Principal Amounts	Maturity	Interest Rate
$3,500,000	August 1, 2018	9.35%
$9,000,000	August 1, 2025	8.25%
$14,000,000	August 1, 2025	9.50%

The Company, commencing in 2013, is required to pay on the 15th of each month:

(i) prior to and including January 15, 2015 and, thereafter, for the period from February through July of each year, an amount which, if paid in six (6) equal monthly installments, shall be sufficient to pay the principal and interest coming due on the bonds on the next ensuing schedule date for the payment of such principal and/or interest, as applicable; or
(ii) after January 15, 2015, for the period of August through November of each year, an amount which if paid in four (4) equal monthly installments, shall be sufficient to pay the principal and interest coming due on the Bonds on the next ensuing scheduled date for payment of such principal and or interest, as applicable.

The mandatory redemption for each tranche began on August 1, 2015 and the redemption amount is dependent upon the tranche, as defined. The Company has the right to redeem a tranche prior to maturity based on a redemption price, as defined.

The loan agreement and indenture requires certain restrictions including a distribution restriction and establishment of certain reserve cash accounts, as defined. Furthermore, the Company is required to maintain certain financial covenants. The bond is secured by all corporate assets and assignment of certain contracts, as defined.

The Company was not in compliance with certain covenants as of December 31, 2017. As a result, the Company entered into an amended and restated forbearance agreement effective January 2018. Under this forbearance agreement, the borrower agreed to extend the term of the original forbearance agreement of December 2016, pursuant to the terms and conditions set forth in the amended and restated forbearance agreement. The forbearance period shall continue until the earlier of a forbearance termination event or February 23, 2019.

The following is a schedule of approximate mandatory redemptions for the years ended:

2018	$ 2,480,000
2019	1,695,000
2020	2,280,000
2021	2,625,000
2022	2,875,000
Thereafter	10,115,000
Total	$ 22,070,000

Interest expense totaled approximately $2,045,000 for the year ended December 31, 2017.

NOTE 4 - NOTE PAYABLE

During 2013, the Company entered into an unsecured note payable in the amount of $783,000. The note is fully subordinated to the bonds payable (NOTE 3) with the agency of the State of Washington. The note bears interest at a fixed rate of 15% and required an interest only payment on February 2015 and monthly principal and interest payments of $31,460 commencing on March 2015 until maturity in August 2017. The note was not paid off by the maturity date. The Company did not make any principal or interest payments toward this note during the year as it will be paid off in accordance with the cash flow waterfall per the forbearance agreement the Company entered into related to the bonds payable (Note 3), as agreed by the lender. As of December 31, 2017, there was approximately $294,000 outstanding under this note.

Interest expense totaled approximately $48,000 for the year ended December 31, 2017 and accrued interest totaled approximately $55,000 as of December 31, 2017 and is recorded in accrued expenses in the accompanying balance sheet.

NOTE 5 - TERM LOAN

During 2016, the Company entered into a revolving line of credit agreement in the amount of $725,000. The note bore interest at the Wall Street Journal prime rate plus 2% per annum, provided however, that in no event shall the interest rate be less than 5.5%. The line of credit had a maturity date of February 2017. In May 2017, it was converted to a term loan in the amount of $709,896.

The term loan matures in June 2022 and bears interest at London Interbank Borrowing Market ("LIBOR") plus 6% per annum (7.57% at December 31, 2017). The loan requires 58 principal payments of approximately $11,800 each, starting in August 2017 and one final principal and interest payment of approximately $23,800. The term loan is subordinated to the bonds payable and subordinated note and is secured by the assets of the borrower. Furthermore, the Company is required to maintain certain financial covenants. The Company was in compliance with all covenants as of December 31, 2017.

The following is a schedule of future payments for the years ending December 31,

2018	$ 141,600
2019	141,600
2020	141,600
2021	141,600
2022	84,300
Thereafter	-
Total	$ 650,700

Interest expense totaled approximately $46,000 for the year ended December 31, 2017.

COALVIEW LTD.

NOTE 6 - EQUIPMENT FINANCING

During 2016, the Company entered into an agreement to finance equipment for approximately $806,000. The financing agreement bears interest at a fixed rate of 9.23% and required an initial payment and a security deposit of approximately $81,000 which is recorded in other assets in the accompanying balance sheet. Monthly principal and interest payments of approximately $14,500 were required commencing on March 2016 until maturity in March 2021.

The following is a schedule of future payments for the years ending December 31,

2018	$ 141,000
2019	143,000
2020	157,000
2021	94,000
Thereafter	-
Total	$ 535,000

Interest expense totaled approximately $54,000 for the year ended December 31, 2017.

NOTE 7 - RELATED PARTY TRANSACTIONS

In December 2013, the Company entered into an operating and management agreement with Coalview Recovery Group, LLC, a related company through common ownership. As required by the agreement, the Company pays an annual base management fee equal to $600,000, increased annually by the proportional increase and associated weighting of certain BLS Indices. Management fees for the year ended December 31, 2017 totaled $600,000. The operating and management agreement expires in December 2025.

The Company also advances monies to or receives monies from related parties from time to time. The amount due to related parties at December 31, 2017 totaled approximately $1,027,000.

NOTE 8 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of the following:

	Useful Lives in Years	
Plant and equipment, including asset retirement obligation	10	$ 19,516,922
Development costs	10	3,522,036
Automobiles	5	65,500
		23,104,458
Less: accumulated depreciation and amortization		7,406,480
		$ 15,697,978

COALVIEW LTD.

NOTE 8 - PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation and amortization expense related to property, plant and equipment, including depreciation of the capital lease assets, totaled approximately $2,385,000 for the year ended December 31, 2017.

In 2015, the Company entered into two capital lease agreements. The equipment leased had a cost of approximately $200,000 and is recorded under property, plant and equipment, net in the accompanying balance sheet.

The following is a schedule of future minimum lease payments for the year ending December 31,

2018	$ 53,000
Thereafter	-
Total	$ 53,000

NOTE 9 - DEBT ISSUANCE COSTS

Debt issuance costs consists of the following:

	Debt Term in Years	
Financing fees	10	$ 3,596,331
Other costs	10	227,982
		3,824,313
Less: accumulated amortization		1,184,376
		$ 2,639,937

Amortization expense related to debt issuance costs totaled approximately $382,000 for the year ended December 31, 2017 and is included in interest expense in the accompanying statement of operations.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

LITIGATION

The Company, from time to time, is a defendant in legal actions arising in normal business activities. At December 31, 2017, management is not aware of any significant pending litigation against the Company.

COALVIEW LTD.

NOTE 10 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

ENVIRONMENTAL AND OTHER REGULATORY MATTERS

Federal, state and local authorities regulate the U.S. coal industry with respect to certain matters such as employee health and safety and the environment, including the protection of air quality, water quality, land uses and other environmental resources. Materials used and generated must also be managed according to applicable regulations and law. These laws have, and will continue to have, a significant effect on the Company's production costs and competitive position. The Company endeavors to operate in compliance with applicable federal, state and local laws and regulations.

Future laws, regulations or orders, as well as future interpretations and more rigorous enforcement of existing laws, regulations or orders, may require substantial increases in equipment and operating costs and may result in delays, interruptions or termination of operations, the extent to which the Company cannot predict. Future laws, regulations or orders may also cause coal to become a less attractive fuel source. As a result, this may adversely affect the Company's operations.

NOTE 11 - ASSET RETIREMENT OBLIGATION

The Company completed construction of a fine coal recovery plant in November 2014, which was placed into commission in December 2014, and has an estimated life of 10 years. The Company is contractually obligated to decommission the plant at the completion of the project. In accordance with FASB ASC 410-20, Asset Retirement Obligations, the Company recognizes asset retirement obligations at fair value. Accretion expense is recognized through the expected settlement date of the obligation. During 2014, the Company recorded approximately $135,000 for the fair value of the asset retirement obligation. The Company capitalized that cost as part of the carrying amount of the plant; which is depreciated on a straight-line basis over ten years. There have been no events that would warrant a change in the fair value of the asset retirement obligation in 2017. The following table describes the changes to the Company's asset retirement obligation liability:

Balance at January 1, 2017	$ 170,519
Accretion expense	19,456
Balance at December 31, 2017	$ 189,975

NOTE 12 - POSTRETIREMENT BENEFIT PLANS

The Company has adopted a 401(k) Profit Sharing Plan that allows for employee salary reduction contributions, employer discretionary matching contributions and employer discretionary profit sharing contributions, not to exceed amounts allowed under the Internal Revenue Code.

The employees vest in the 401(k) employer matching and profit sharing contribution at 20% per year after the first full year of employment. Employees become fully vested after six years of service. The employees are always 100% vested in their salary reduction contribution.

NOTE 12 - POSTRETIREMENT BENEFIT PLANS (CONTINUED)

The Company elected to match 100% of the employee salary reduction contribution up to 4% of the employee's salary in 2017. This amounted to approximately $39,000 in matching contributions during the year ended December 31, 2017. The Company did not make a discretionary profit sharing contribution in 2017.

COALVIEW LTD.

COALVIEW CENTRALIA, LLC
AUDITOR OPINION LETTER
FOR THE YEAR ENDED DECEMBER 31, 2016

PAAST
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Coalview Centralia, LLC

We have audited the accompanying financial statements of Coalview Centralia, LLC (a Delaware limited liability company), which comprise the balance sheet as of December 31, 2017, and the related statements of operations, members' deficit and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

COALVIEW LTD.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Coalview Centralia, LLC as of December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

PAAST, PL
Certified Public Accountants
Coral Gables, Florida
February 22, 2018

COALVIEW LTD.

Certificate for Annual Filing of Certain Financial and Operating Covenants

Issuer:	Washington Economic Development Finance Authority
Issue:	Washington Economic Development Finance Authority Environmental Facilities Revenue Bonds, 2013 (Coalview Centralia, LLC Project)
Company:	Coalview Centralia, LLC
Dissemination Agent:	U.S. Bank National Association
Underwriter:	Oppenheimer & Co. Inc.
Date of Issue:	December 20, 2013

The undersigned authorized representative of the Company is providing the Dissemination Agent the following operational information as required under Section 4 of the Continuing Disclosure Agreement, dated as of December 1, 2013 (the "Disclosure Agreement"), between the Dissemination Agent and the Company. The Dissemination Agreement requires that the Company provide this information to the Dissemination Agent within one hundred and fifty (150) days of the end of each Fiscal Year. Defined terms used in this certificate and not defined herein shall have the meaning granted to such terms in the Loan Agreement, dated as of December 1, 2013 (the "Loan Agreement"), between the Company and the Washington Economic Development Finance Authority. The information contained below is unaudited.

1. The undersigned below is familiar with the provisions of the Loan Agreement and based on such review and familiarity, the Company has fulfilled all of its obligations thereunder throughout the Fiscal Year preceding the date hereof, and there have been no Defaults of Events of Default under the Loan Agreement other than the following:
    a. Coalview Centralia, LLC failed to pay the principal and interest for the bond payment scheduled for February 1, 2017 Section 9.1(c) of the Indenture, although there was sufficient funds in the Bond Fund as of December 31, 2017 to make the payment.
    b. Coalview Centralia, LLC has failed to replenish the deficiency in the Debt Service Reserve Fund in accordance with Article IV of the Indenture.
    c. Coalview has entered into a Forbearance Agreement with the Trustee, dated January 1, 2018 granting Coalview forbearance from the above events of default as they are being cured in coordination with the Bondholders and the Trustee.

2. All insurance required by the Loan Agreement is in full force and effect as of the date hereof.

3. As of December 31, 2017 the Company's Debt Service Coverage Ratio was 1.23, which does comply with the coverage covenant in Section 5.10 of the Loan Agreement. Compliance with Section 5.10 of the Loan Agreement commences with the Fiscal Year ending on December 31, 2015.

4. As of December 31, 2017 the Company's unrestricted available funds on hand was $281,232 representing 54 days multiplied by Average Daily Fixed Expenses of $5,252.

COALVIEW LTD.

This certificate is being provided by the Company to the Dissemination Agent on a date which is allowed by a Forbearance Agreement with the Trustee, dated August 16, 2017 granting Coalview 35 days following execution to provide Annual Audit and required corresponding financial information.

Dated: 5/7/2018

COALVIEW CENTRALIA, LLC

By: RWFish

Name: Roger Fish

Title: President & CEO

COALVIEW LTD.

Certification of No Loan Agreement Event of Default

As Authorized Company Representative of Coalview Centralia, LLC, I hereby certify that there has not been any Event of Default pursuant to the Loan Agreement between Washington Economic Development Finance Authority and Coalview Centralia, LLC dated as of December 1, 2013 other than the following:

- Coalview Centralia, LLC failed to pay the principal and interest for the bond payment scheduled for February 1, 2017 Section 9.1(c) of the Indenture, although there was sufficient funds in the Bond Fund as of December 31, 2017 to make the payment.
- Coalview Centralia, LLC has failed to replenish the deficiency in the Debt Service Reserve Fund.
- Coalview has entered into a Forbearance Agreement with the Trustee, dated January 1, 2018 granting Coalview forbearance from the above events of default as they are being cured in coordination with the Bondholders and the Trustee.

This certification is required under Sections 8.02 Financial Statements and Reporting of the Loan Agreement.

RWFish

Roger Fish
President & CEO
Coalview Centralia, LLC

Date: May 7, 2018